

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6333**

**BILL NUMBER:** HB 1054

**NOTE PREPARED:** Dec 16, 2014

**BILL AMENDED:**

**SUBJECT:** Higher Education Co-op and Internship Programs.

**FIRST AUTHOR:** Rep. Ober

**BILL STATUS:** As Introduced

**FIRST SPONSOR:**

**FUNDS AFFECTED:** ☒ GENERAL  
☒ DEDICATED  
☐ FEDERAL

**IMPACT:** State

STATE IMPACT	FY 2015	FY 2016	FY 2017
State Revenues			
State Expenditures		5,000,000	5,000,000
Net Increase (Decrease)		(5,000,000)	(5,000,000)

**Summary of Legislation:** This bill establishes the Indiana Cooperative Education Pilot Program. It establishes the Indiana Cooperative Education Pilot Program Fund. The bill makes an appropriation.

**Effective Date:** July 1, 2015.

**Explanation of State Expenditures:** The bill appropriates \$5 M each year in FY 2016 and FY 2017 to the Indiana Cooperative Education Pilot Program. The Commission for Higher Education is to administer the program.

**Additional Information:** The bill creates the Indiana Cooperative Education Pilot Program and establishes the Indiana Cooperative Education Pilot Program Fund. The program will provide grants to eligible state educational institutions of between \$100,000 and \$500,000. An eligible institution can receive up to two grants per year. Currently, four campuses would be eligible to apply for the grants: Indiana University's main campus, Purdue University's main campus, Indiana University - Purdue University Indianapolis, and Ball

State University.

The program is to:

1. Alternate or combine periods of academic study and work experience for the student.
2. Provide students with compensation from the employers in the form of wages or salaries.
3. Evaluate each participating student's performance in the cooperative position, both from the perspective of the educational institution and the employer.
4. Provide the student with academic credit upon successful completion of the student's cooperative education.
5. Be part of a degree for which a percentage of the total program involves cooperative education.

The grants are to establish a partnership between the student, the state educational institution, and an employer located in Indiana that formally integrates the student's academic study with work or community experience.

The bill creates the Indiana Cooperative Education Pilot Program Fund as a dedicated fund.

The state's current work study program, EARN Indiana Program, was appropriated \$606,099 for FY 2015. The Commission for Higher Education enters into an agreement with eligible employers to hire students for an average of 12 to 40 hours per week. The state's reimbursement to the eligible employer is at least 50% of the federal minimum hourly wage per hour worked for the number of hours the student worked for the employer.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Commission for Higher Education.

**Local Agencies Affected:**

**Information Sources:**

**Fiscal Analyst:** Chuck Mayfield, 317-232-4825.